



PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

December 18, 2009

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Beal Bank, Plano, Texas, Assumes All of the Deposits of New South Federal Savings Bank, Irondale, Alabama

New South Federal Savings Bank, Irondale, Alabama, was closed today by the Office of Thrift Supervision, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with Beal Bank, Plano, Texas, to assume all of the deposits of New South Federal Savings Bank.

The sole branch of New South Federal Savings Bank will reopen on Monday as a branch of Beal Bank. Depositors of New South Federal Savings Bank will automatically become depositors of Beal Bank. Deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship to retain their deposit insurance coverage. Customers should continue to use their existing branch until they receive notice from Beal Bank that it has completed systems changes to allow other Beal Bank branches to process their accounts as well.

This evening and over the weekend, depositors of New South Federal Savings Bank can access their money by writing checks or using ATM or debit cards. Checks drawn on the bank will continue to be processed. Loan customers should continue to make their payments as usual.

As of September 30, 2009, New South Federal Savings Bank had approximately \$1.5 billion in total assets and \$1.2 billion in total deposits. Beal Bank did not pay the FDIC a premium for the deposits of New South Federal Savings Bank. In addition to assuming all of the deposits of the failed bank, Beal Bank agreed to purchase essentially all of the failed bank's assets.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-236-2009

The FDIC and Beal Bank entered into a loss-share transaction on \$1.2 billion of New South Federal Savings Bank's assets. Beal Bank will share in the losses on the asset pools covered under the loss-share agreement. The loss-share transaction is projected to maximize returns on the assets covered by keeping them in the private sector. The transaction also is expected to minimize disruptions for loan customers. For more information on loss share, please visit:

<http://www.fdic.gov/bank/individual/failed/lossshare/index.html>.

Customers who have questions about today's transaction can call the FDIC toll-free at 1-800-423-6395. The phone number will be operational this evening until 9:00 p.m., Central Standard Time (CST); on Saturday from 9:00 a.m. to 6:00 p.m., CST; on Sunday from noon to 6:00 p.m., CST; and thereafter from 8:00 a.m. to 8:00 p.m., CST. Due to the Christmas Holiday, the toll-free number will not be operational between the hours of 3 p.m., Thursday, December 24, and 8:00 a.m., Monday, December 28. At that time the toll-free number will resume its normal hours.

Interested parties also can visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/newsouth.html>.

Furthermore, the FDIC transferred to Beal Bank all qualified financial contracts to which New South Federal Savings Bank was a party.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$212.3 million. Beal Bank's acquisition of all the deposits was the "least costly" resolution for the FDIC's DIF compared to all alternatives. New South Federal Savings Bank is the 137th FDIC-insured institution to fail in the nation this year, and the third in Alabama. The last FDIC-insured institution closed in the state was CapitalSouth Bank, Birmingham, on August 21, 2009.

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Last Updated 12/18/2009

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